

Business Plan

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“GERMANTOM.com”

The Global Internet Shopping Mall
for German and European Brands and New Products

A project of

GERMANTOM GmbH, Baden-Baden, Germany

in Cooperation with

EPOCH MEDIA GROUP, New York, USA

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1. Presentation of the initiator of GERMANTOM.com as planned

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CEO of Germantom GmbH

Harald M. Wayer



Harald M. Wayer is the CEO OF Wayer & Partners Management Consulting in Baden-Baden, His special fields are in the management, strategy and optimization of business processes. With his many years of experience in a variety of industries and entrepreneurship, he has already succeeded several times, as a business angel and a venture capitalist, in turning around troubled companies to success or has succeeded in helping young companies to make a breakthrough to success.

Harald M. Wayer is for Example , a qualified Investment partner of EUROPEAN INVESTMENT FUND (EIF).

He will be, with his competence and experience, the CEO of the future Germantom GmbH.

2. THE Business Idea

2.1. Success Factors

An important factor for the planned success of GERMANTOM is Epoch Media Group, EMG, which operates in 35 countries and is headquartered in New York.

As the world's fastest-growing global media network (!), the Group has grown from the very beginning to the unprecedented global player. Through online newspapers in 21 languages and through its online TV network, the monthly unique users/readers have reached more than 300 million, with over one billion page views per month. In addition to this. The EMG also distributes a few million printed daily or weekly newspapers, for example in Hong Kong or

New York on a monthly basis as well as a satellite, cable and web-based TV in Chinese and English languages.

Because of his professional qualifications and years of personal ties, CEO of EMG Europe, Mr Manyan Ng, has explored with Mr. Harald Wayer how to build on the successes in ad sales so far, and how Mr. Wayer can help with his know-how and contacts to maximize the capitalization of the impressive size of readership.

Taking into account that EMG has direct contact with millions of consumers every day, Mr. Wayer has recommended to support the EMG to achieve a very profitable global success, beyond the traditional advertisement sales, through a participation system, which is presented by the company, to international companies and innovative products. This is done, for example, nationally by leading TV stations such as PRO 7 or SAT 1 in Germany.

Harald Wayer suggests to start up an international-oriented online shopping mall with European products and innovative products in co-operation with EMG - GERMANTOM.com in the world market. Taking into account the following additional success factors, the idea is now being transformed to the implementation phase.

2.2. Additional Success Factors:

a.) As an global player, GERMANTOM is no ordinary online shop. It is important to ensure that only quality products are sold primarily from Europe through professional global marketing measures. In addition, the globally selling shop will, as an important feature, periodically introduce new products into several countries as previously limited for only one national market

b.) In all its relevant media, the EMG will run advertising campaigns on the online shop, its interesting products, and, above all, its product news, with press reports, whereby GERMANTOM and its products will also be made attractive to readers in many countries

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through the successful advertisements. Indirectly, GERMANTOM is also an export manager for companies and products, which, in addition to the economic successes, due to the product news, also makes the visit of the on-line shop as well as the media of EMG more interesting.

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c.) GERMANTOM will employ the existing network of Harald Wayer's business partners, freelance product scouts, which are not included in this plan because the costs involved do not affect the profit margins calculated in this plan

d.) For the online market place, the office work place, the IT systems and / or the operational company, the initiator will incur a total cost of approximately 800,000 euros including the initial costs till now. Harald Wayer will raise the exact amount due without the need for bank loans, so GERMANTOM will be an almost debt-free company, apart from shareholder stakes.

e.) Already at the present stage, very well-known branch companies and companies with national product innovations have a great interest in becoming international and be internationalized through GERMANTOM.

f.) GERMANTOM.com will mainly list products from companies that are willing to act as drop shipping partners. This means that GERMANTOM does not need its own shipping or warehouse. In particular, approximately 10 permanent employees plus the CEO are sufficient to materialize revenues of up to around 10 million euros, excluding freelance employees and service providers.

As of 10 million euros annual turnover, the employees and the costs increase very moderately in relation to the increase in sales.

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g.) GERMANTOM will operate as planned with at least 25% trading margin, often with much more. As a conservative approach, the average margins in this plan are only assumed with a minimum of 25%..

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2.3.The advantages compared to competitors at a glance

- a.) Through his professional work, the author has continuously direct contacts with different young growth companies or access to national products which are interesting for the international market, but for which it lacks marketing capital for internationalization. Through appropriate contacts and product scouts from Germantom, EMG and Germantom can be very profitable for both parties, in the world market, whereby the media of the EMG as well as Germantom are constantly gaining in attractiveness as visitors of the media as well as the online shop constantly present interesting product novelties.
- b. The online department store is programmed in such a way that suitable products can be offered to countries in which our media partner has sufficient target groups. However, products can only be displayed in a demarcated area or targeted to a definable reader group via advertisements. For example, organic baby food can be offered in China, which may not be suitable in France. For example, new products can be presented only to Chinese speaking potential customers and time-displaced to English-speaking people (regions), for example, if a manufacturer cannot supply simultaneously large regions at the same time.
- c.) Our media partner, the Epoch Media Group, will share the profits of GERMANTOM.com substantially with 1/3 over at least a few years. It can be assumed that the Epoch Media Group will support GERMANTOM and its products permanently and continuously in all current and future media, including advertisements, press reports and videos, with a mutually beneficial cooperation agreement for at least six years.
- c. The cooperation suggested in this plan is, however, as far as is known, a unique one. There is probably no other online shop that has a global media corporation as its partner with the advantages for both of them, that an online shop is activated, which not only excels through German and European products, but also introduces new products into global market. It is only possible through the cooperative ventures and the combined know-how

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of EMG and Germantom and that for the first time and is expected to be very profitable for both companies as planned.

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- d. The EMG will do what it does best, providing reports independently and continue to grow tremendously, while GERMANTOM, in addition to EMGs traditional advertising efforts, will help to significantly increase the overall revenues through success-oriented advertising, with the further advantage for EMG , That a lot of product news is reported in EMG's media, which makes it more interesting for readers.
- e. EMG.GERMANTOM.com provides reports on a monthly basis, so that the materialized and expected profits are comprehensible on both sides. This results in a very simple billing system. It also does not have to be settled with many advertising marketers because Germantom intends to cooperate only with EMG.

3. Business Target of GERMANTOM.com

3.1. Short-term Target

In May 2017 the cooperation agreement between the Epoch Media Group, New York and GERMANTOM GmbH, Baden-Baden is to be signed. Immediately thereafter, the supply contracts and / or concluding contractual negotiations are concluded with the suppliers hitherto designated for listing purposes.

Starting from June 2017, the portal of GERMANTOM.com will be programmed, whereby the shell of the site may be taken over by a friendly company, which may also be ready to complete the construction of the shop for GERMANTOM.com.

Currently it is assumed that the shop is online by August 2017 at the latest. It is assumed that GERMANTOM from the time the shop goes online till the end of the year 2017 at least 4 million euros, with a gross profit of one million euros. However, this can only be achieved if interesting products currently being negotiated for the market launch are ultimately also listed and if the cooperation is concluded in time.

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Although all internationally possible sales areas will be step by step implemented in the second half of 2017, the planned full range of the international department store will be listed until the end of 2017, four million sales will still be considered feasible in 2017. Also the corresponding assumption is based on the fact that the shop has new product novelties, such as those that are currently nationally introduced successfully, and that GERMANTOM will take over the international distribution from August 2017 onwards. Example: The company COBI-BIKE has just an innovation in the bicycle accessories sector. In Germany 4,000 units were sold four months after market launch.

If the goal is that GERMANTOM will take over the international market from August 2017, conservatively estimated that in 2017, 6000 units may be sold by GERMANTOM.com, which amounts to approximately 1.8 million Euros only with this product, and around 600,000 Euro gross profit can be realizable.

A further 400,000 euros of income and more should then be easily managed with the rest of the products, quite conservatively, especially since further launchings into the global market may be taken over by GERMANTOM.

By the end of the year 2017, the goal is to have the online shop with all its structures and the full range product portfolio ready, so that from 2018 the full scale sales and earnings can be realized.

With regard to the above-mentioned short-term objective, the following 2017 yields are not taken into account as medium-term targets.

3.2. Medium-term targets 2018, 2019 und 2020

In 2018, the new fiscal year will start according to plan with a debt-free company, with a tax refund of € 250,000 for the profit from 2017.

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With its full assortment, the shop is advertised as in 2017 intensively over all media of EMG. In addition, the most interesting products are addressed in new press reports. With regard to more than 300 million unique visitors per month and over one billion page views in the media of the advertising partner, the following non-binding calculation results from the author's point of view:

Approximately 300 million maximum contacts per month from potential customers to ads from GERMANTOM.com or press articles on GERMANTOM.com products. The author assumes that at least 1/3 of the persons who can read the advertising messages of GERMANTOM.com really observe them. According to this, approximately 100 million people per month observe the advertisements or press reports from GERMANTOM. It is also estimated that 5% of all people who read an advertising message from GERMANTOM.com or alternatively read a product article click on the homepage of the shop and this means 5 Millions of shop visitors per month. If only 2% of this 5% of shop visitors actually order, will mean 100,000 ordering customers per month. Due to the product mix and especially only high-quality German brands in the price range of about 40.00 Euro net to about 4.000,00 Euro are listed, the average order value estimated with at least 160,00 per order, resulting in the calculated monthly turnover as follows:

100.000 ordering customers x 160 Euro = 16 Millions Euro Revenue

X 12 = 192 Millions Euro possible revenue in 2018.

With a margin of 25%, a gross profit of 48 million euros is generated, according to the example, for the year 2018, whereby profit before taxes would amount to approximately 45 million Euros, at a correspondingly company costs estimated to 3 Million. The fact that the Epoch Media Group is still fast growing, that more and more potential customers are being created for the online shop, and that the popularity level of GERMANTOM.COM is growing at an annual rate expected to be 20%

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According to the example above, the following numerical values are stated:

YEAR:	REVENUE:	GROSS PROFIT:	PROFIT:
2018	192 Mio.	48 Mio ./. 3 Mio Kosten	45 Mio
2019	230 Mio.	57,5 Mio ./. 3 Mio Kosten	54,5 Mio
2020	276 Mio.	69 Mio ./. 3 mio Kosten	66 Mio

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33% of the calculated profits are then accounted for EMG.

The above figures represent the author's non-committal calculations, the great potential of GERMANTOM.com and how mutually profitable the cooperation between Epoch Media Group and GERMANTOM GmbH can be.

Even if the business model will only achieve much lower sales and earnings than forecasted, we will still be very successful with very conservative sales estimate of 16 million euros, as the following chart shows. From the graph according to the following point 4, each viewer of this business plan can determine the revenues and the profit to be expected.

4. Revenue/profits based on feasible figures from 2018 onwards:

6.1 Assumed sales ./. Income before taxes

Annual sales	Profit before Tax	Share for EMG	Remaining Profit b. Tax
4.000.000 Euro	0000	0000	0000
8.000.000 Euro	1.000.000 Euro	333.333 Euro	666.000 Euro
12.000.000 Euro	2.000.000 Euro	500.000 Euro	1.500.000 Euro
16.000.000 Euro	P2.500.000 Euro	833.000 Euro	1667.000 Euro
20.000.000 Euro	3.500.000 Euro	1.166.000 Euro	2.334.000 Euro
50.000.000 Euro	11.000.000 Euro	2.750.000 Euro	8.250.000 Euro
60.000.000 Euro	13.500.000 Euro	3.376.000 Euro	10.124.000 Euro

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120.000.000 Euro	P27.500.000 Euro	6.875.000 Euro	20.625.000 Euro
240.000.000 Euro	57.000.000 Euro	14.250.000 Euro	42.750.000 Euro

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Note: Based on the figures above, the company's profit before tax depending on the sales volume will generate a costs of at least EUR 1.0 million p.a. up to EUR 3.0 million p. a..

If, for example, the target turnover of 240 million euros is to be achieved as an annual average turnover in the years 2018, 2019 and 2020, an order value of at least 160.00 euros per order, 1.5 million orders per year. According to this, we need around 4,000 orders per day or 125,000 orders per month.

At 120 million annual turnover, there would be about 750,000 orders per year, or 62,000 per month, respectively 2,000 orders per day.

The above figures and the remarks in this business plan are intended to show only the non-binding nature of the potential for GERMANTOM, particularly the great successes that EMG and GERMANTOM can have in the long term for both companies under a WIN-WIN effects.

The author can not accept any liability for the actual achievement of the stated goals, nor the business plan contains any calculation errors or errors in stated assumptions.

Baden-Baden, den 25. April 2017

Harald M. Wayer